

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 98-050-C - ORDER NO. 98-394

MAY 29, 1998

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IN RE: Application of Dialtone & More, Inc. for a)	ORDER
Certificate of Public Convenience and)	APPROVING
Necessity to Provide Intrastate Local Resale)	CERTIFICATE
Telecommunications Services within the State)	
of South Carolina.)	

This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the Application of Dialtone & More, Inc. ("Dialtone" or "the Company") for a Certificate of Public Convenience and Necessity to resell local exchange telecommunications services within the State of South Carolina. The Application was filed pursuant to S.C. Code Ann. § 58-9-280 and the Regulations of the Commission.

By letter, the Commission's Executive Director instructed Dialtone to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. Dialtone complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC"). On March 19, 1998, Counsel for SCTC filed with the Commission a Stipulation in which Dialtone stipulated that it would only seek authority in non-rural local exchange

("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until Dialtone provided written notice of its intent prior to the date of the intended service. Dialtone also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. Dialtone agreed to abide by all State and Federal laws and to participate to the extent it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to Dialtone provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on May 7, 1998, at 11:00 a.m., in the Commission's Hearing Room. The Honorable Guy Butler, Chairman, presided. Dialtone was represented by Bonnie D. Shealy, Esquire. Florence P. Belser, Staff Counsel, represented the Commission Staff.

Elaine B. Liester, President of Dialtone, appeared and offered testimony in support of Dialtone's application. The purpose of Liester's testimony was to explain the local exchange services Dialtone proposes to offer in South Carolina and to review Dialtone's qualifications to provide such services.

DISCUSSION

S.C. Code Ann. § 58-9-280 (Supp. 1997) provides that the Commission may grant a certificate to operate as a telephone utility...to applicants proposing to furnish local telephone service in the service territory of an incumbent LEC.

After full consideration of the applicable law, Dialtone's application, and evidence submitted by Dialtone, the Commission finds and concludes that the Certificate sought by Dialtone should be granted. The Commission's determination is based on the following criteria as provided in S.C. Code Ann. § 58-9-280 (Supp. 1997) and the evidence submitted in support of the Application which relates to that criteria:

1. The Commission finds that Dialtone possesses the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. § 58-9-280(B)(1) (Supp. 1997). Ms. Liester stated that Dialtone's management team includes individuals with the skills and experience necessary for the successful provision of quality telecommunications services. The testimony also reveals that Dialtone is financially able to provide telecommunications services in South Carolina and that Dialtone expects its services in South Carolina to yield a sufficient margin to retain or improve profitability. Based on the undisputed testimony of Liester, the Commission finds that Dialtone possess the technical, financial, and managerial resources sufficient to provide the services requested.

2. The Commission finds that Dialtone will provide services which will meet the service standards of the Commission. S.C. Code Ann. § 58-9-280(B) (Supp. 1997). Ms. Liester's testimony indicated that Dialtone seeks to provide intrastate local telecommunications services. Ms. Liester indicated that Dialtone will comply with all applicable rules, policies and statutes applicable to the offering of those services. Based on the undisputed testimony of Ms. Liester, the Commission believes, and so finds, that

Dialtone will provide telecommunications services that will meet the service standards of the Commission.

3. The Commission finds that Dialtone's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. § 58-9-280(B)(3) (Supp. 1997). Liester's testimony reveals that Dialtone believes that approval of its Application will further the public interest by increasing the level of local competition in South Carolina by offering quality prepaid local services to many customers who were unable to otherwise obtain local service due to previous disconnections or substandard credit. Therefore, based on the undisputed evidence of record, the Commission finds that provision of local exchange services by Dialtone will not adversely impact affordable local exchange service.

4. The Commission finds that Dialtone will support universally available telephone service at affordable rates. S.C. Code Ann. § 58-9-280(B)(4) (Supp. 1997). Dialtone agreed in the Stipulation with the SCTC to participate in the support of universally available telephone service at affordable rates as required by State and Federal laws and as required by the Commission's Rules and Regulations. Further, Ms. Liester stated that Dialtone would comply with the Commission's universal service requirements and will contribute to universal service mechanisms on the State and Federal levels. Based on the undisputed evidence of record, the Commission finds that Dialtone will participate in support of universally available telephone service at affordable rates.

5. The Commission finds that the provision of local exchange service by Dialtone "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-

280(B)(5) (Supp. 1997). Ms. Liester offered testimony that the approval of Dialtone's application will increase the availability of affordable local services for South Carolina's local market. Further, Ms. Liester stated that Dialtone's entrance into the market will increase competition which in turn will offer consumers in South Carolina a wider range of product offerings, innovative technologies, and improvements in the quality of service. Therefore, based on the undisputed evidence of record, the Commission finds that approval of Dialtone's Application to provide local exchange service "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-280(B)(5) (Supp. 1997).

Therefore, based on the findings above, the Commission finds and concludes that a Certificate of Public Convenience and Necessity should be granted to Dialtone.

IT IS THEREFORE ORDERED THAT:

1. The Application of Dialtone for a Certificate of Public Convenience and Necessity to provide competitive intrastate local exchange services in the non-rural local exchange service areas is approved. Dialtone is hereby authorized to provide competitive local exchange services in these areas in South Carolina. The terms of the Stipulation between Dialtone and SCTC are approved, and adopted as a portion of this Order. Any proposal to provide such service to rural service areas is subject to the terms of the Stipulation.
2. Dialtone shall file, prior to offering local exchange service in South Carolina, a final tariff of its service offerings conforming to all matters discussed with the Staff, and comporting with South Carolina law in all matters.
3. Dialtone shall, in compliance with Commission regulations, designate and

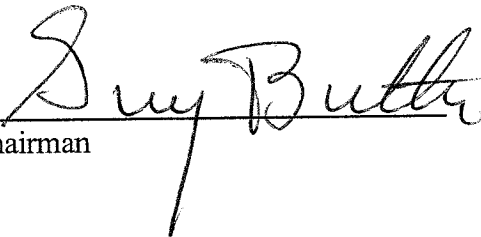
maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relation (complaint) matters, engineering operations, and tests and repairs. In addition, Dialtone shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Dialtone shall file with the Commission the names, addresses, and telephone numbers of those representatives within thirty (30) days of receipt of this Order. (Attachment A shall be utilized for the provision of this information to the Commission.) Further, Dialtone shall promptly notify the Commission in writing if the representatives are replaced.

4. Dialtone is directed to comply with all Commission regulations unless expressly waived by the Commission.


5. Dialtone shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

6. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 98-050-C

Re: Application of Dialtone & More, Inc. for a)
Certificate of Public Convenience and)
Necessity to Provide Resold Local Exchange)
Telecommunications Services)
)
)
)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Dialtone & More, Inc. ("Dialtone & More") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, the necessity for SCTC's intervention in this matter is avoided and SCTC withdraws its opposition to Dialtone & More's Application. SCTC and Dialtone & More stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Dialtone & More, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.
2. Dialtone & More stipulates and agrees that any Certificate which may be granted will authorize Dialtone & More to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.
3. Dialtone & More stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Dialtone & More stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Dialtone & More provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Dialtone & More acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Dialtone & More stipulates and agrees that if, after Dialtone & More gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then Dialtone & More will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Dialtone & More acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Stipulation in no way suspends or adversely

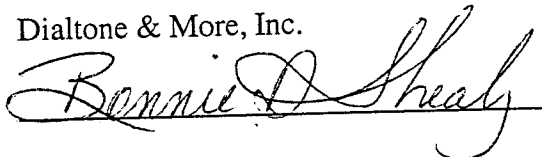
affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Daltone & More agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Daltone & More hereby amends its application and its pre-filed testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 19th day of March, 1998.

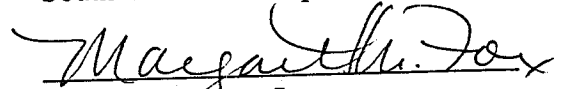
Daltone & More, Inc.



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ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Bluffton Telephone Company, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Hargray Telephone Company, Inc.
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Horry Telephone Cooperative, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

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ATTACHMENT A

**INFORMATION OF THE AUTHORIZED UTILITY
REPRESENTATIVES FOR INTEREXCHANGE, LOCAL
AND AOS COMPANIES**

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and maintain with the Commission
the name, title, address, and telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

This form was completed by Signature

If you have any questions, contact the Consumer Services Department at 803-737-5230